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Prospects and Implications of Parliamentary Elections in Thailand

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Summary

As parliamentary elections on 27 July draw near, we rate Prime Minister Prem's chances of resuming office as good. Prem is likely to build a new ruling coalition around the Thai Nation Party and the Democrat Party, but continuing opportunism and factionalism will probably make the new Cabinet contentious and short-lived. We believe the new government is likely to ease austerity measures of the past two years, even at the risk of raising concern among Thailand's creditors. The other possible change might be the removal of Foreign Minister Siddhi--the hardline architect of Bangkok's diplomacy on the Cambodian issue--whose Social Action Party is facing a tough fight at the polls.

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Beyond the balloting, we believe the elections will end former Army Commander Arthit's political hopes. His influence has declined sharply over the past several months, and we rate the probability of his replacing Prem as very slim. At the same time, the elections will increase the

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political power of the new Army Commander, General Chavalit Yongchaiyudt, who seems certain to be next in line after Prem to become prime minister. [REDACTED]

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Holding the Aces

Less than three weeks before the 27 July elections, Prime Minister Prem is poised to resume office once more.¹ Prem's political advantages seem almost overwhelming, in our view:

- None of the parties will win a majority, according to US Embassy reporting, and this will strengthen Prem's position as a nonpartisan compromise choice for prime minister.

[REDACTED]

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- Under the constitution, King Bhumipol appoints the new prime minister, and Prem has the King's support.² [REDACTED]

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In addition, Prem and his advisers are using the powers of incumbency to bolster his chances. [REDACTED]

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[REDACTED]

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[REDACTED] Prem may [REDACTED] make new appointments to the Senate before the elections in order to

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¹ Prem has been in caretaker status since early May, when his governing coalition collapsed after three years in office and Prem dissolved parliament. For a description of procedures for elections and appointment of a prime minister, see appendix A. [REDACTED]

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² Neither Prem nor any member of his Cabinet need be elected members of parliament; however, the constitution bars active-duty military officers such as Arthit. For Arthit to have a chance at becoming prime minister now, his best route would probably be to retire after the elections. Alternatively, he could try to put a front man in office until he solved the constitutional problem. [REDACTED]


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consolidate his support among the bureaucracy and the military.³ 



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In contrast, General Arthit has been floundering since his dismissal as Army Commander in mid-May. Although he retains the largely ceremonial post of supreme commander, Arthit's access to Army funds and troops is curtailed, according to US diplomats, and his influence appears to have declined sharply. 

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Baseline Scenario: Prem Again

We believe that Prem will be able to garner enough support in the new legislature to form a coalition and that King Bhumipol will reappoint him after the elections.  the DP and the Thai Nation Party (TNP) will probably emerge as the biggest winners in the upcoming elections, and they are likely to be invited to join a new coalition. The two would not constitute a majority of the 347 seats being elected, but leaders from both have said they are willing to form a coalition government with smaller parties--possibly the Social Action Party or the People's Party of former Deputy Army Commander Thianchai Sirisamphan.⁴ 

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 palace and military support for Prem will hamstring Arthit's efforts to gather support for a bid for the premiership, even if opposition and uncommitted politicians win a significant number of seats. As a result, we believe that Arthit will be left out in the cold, despite his best efforts. 

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³ The Senate is the royally appointed upper house of parliament, but the incumbent prime minister has de facto control of appointments. Naming new senators before the election would be highly irregular, but it is not contrary to the Constitution. 

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⁴ More information on the major political parties is contained in appendix B. 

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Danger Signals

Although Prem is well on his way to returning to office, we will watch for certain indications that his campaign might be unraveling:

- Military restiveness. Since his appointment in May, General Chavalit has moved cautiously to restore unity within the officer corps. [REDACTED]
[REDACTED] We do not know how much support for Chavalit exists among troop commanders, however, who have played a major role in the last two coup attempts.
- More public disturbances. According to US diplomats, the riot in June over the opening of an ore-processing plant in south Thailand reinforced public perceptions of Prem as a weak and indecisive leader. Although the government has succeeded in limiting political fallout from the affair, Prem would have difficulty shaking off a similar occurrence.
- Shift of palace favor. The royal family's consistent support for Prem has been vital to his six-year political career. [REDACTED]
[REDACTED] Prem would become extremely vulnerable if King Bhumipol withdrew his support. [REDACTED]

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What Can Go Wrong After the Voting

There is an outside chance, in our view, that postelection maneuvering will upset Prem's plans. 

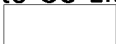
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 If Prem and the politicians fail to agree on the allocation of Cabinet positions--as happened following the 1983 elections--then Arthit might be able to install a compliant prime minister who would later step aside. In the unlikely event that neither Prem nor Arthit gain enough support, the parties, military, and the palace could turn to an outsider such as Senate leader Ukrit--concurrently president of parliament and known to be sympathetic to Arthit--or Army Commander Chavalit as a compromise choice. 

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Finally, a coup attempt is an outside possibility. Aware that the elections probably will be his last chance before he retires in late August and loses all military power, Arthit could launch a last-ditch effort to overthrow the government on the claim that the election outcome was rigged. His chances of success, according to US Embassy reporting, are poor, and we believe that Arthit recognizes this. 

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Looking Ahead

Policy and personnel. We believe that a new Prem coalition is likely to differ very little from its predecessor, except, perhaps, in the matter of economic policy. In our opinion, a new Prem coalition is likely to ease the fiscal austerity of the past two years. Politicians as a group have been chafing under the tight fiscal and monetary policies of Finance Minister Sommai, and the recent break in oil prices could be used to justify increased government spending. If Sommai, a conservative technocrat who has dominated economic policymaking for several years, remains in office, he will probably go along reluctantly with a modest spending increase--although we believe he would prefer no increase because of concern about the budget deficit. Sommai's notions almost certainly will fall short of what the politicians want. If Sommai retires, however, as he has hinted he might, there is a risk that the Cabinet may increase spending to the point that the budget deficit would become a concern among Thailand's international creditors. []

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Other changes we might expect:

- The new Cabinet would probably be less stable. []
[]
[] factional difficulties within the parties will probably re-emerge, and TNP leaders in particular have had great difficulty enforcing discipline among members.
- Foreign Minister Siddhi, the architect of Bangkok's regional diplomacy on Indochina and a consistently pro-American voice, might lose his portfolio. We suspect that Prem wants to retain Siddhi, given his trust in the Foreign Minister, but US diplomats believe that Siddhi's Social Action Party will fare poorly at the polls, thereby weakening his ability to bargain for Cabinet posts. []
[] Siddhi's departure could lead to a public softening of Bangkok's stand on Indochina, as well as less effective leadership of ASEAN on this issue. []

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The rise of Chavalit. In our opinion, the elections seem likely to result in the military recouping some of the political power lost in recent years.⁶ General Chavalit almost certainly aspires to the premiership himself, and--unlike Arthit--is a shrewd political operator. []

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[] we believe he will support Prem only as long as it

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suits his own interests. Chavalit has to improve his relations with the palace and the Army rank and file before openly challenging Prem, [REDACTED] even as the elections are likely to mean the end of Prem's rivalry with Arthit, we view them as producing the beginning of Prem's competition with Chavalit. [REDACTED]

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Chavalit's emergence is prompting anxiety among some political parties as well, who reportedly fear that he will seek to hamstring the parliamentary system over the next several years. Chavalit believes the military plays a legitimate role in national politics, and we judge that the thrust of his dealings with the politicians has been to manipulate them to advance his and Prem's plans. In our opinion, as Chavalit lines up his accession to the premiership, he may try to improve his chances by restoring constitutional privileges that allowed the military to dominate the executive and legislative branches. For example, should he choose to do so, we believe Chavalit would be more successful than Arthit in getting the Constitution amended to allow serving military officers--such as himself--to hold Cabinet portfolios. [REDACTED]

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Appendix A

Parliamentary Elections: The Ground Rules

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The elections on 27 July will not directly determine the next prime minister or produce a conclusive victory for any single party:

- Candidates from roughly 20 parties will be competing for 347 seats in the lower house of parliament, the House of Representatives. Citizens will vote for individual candidates, not for party slates as in the British system.
- Because of population growth, an additional 23 seats have been added to the National Assembly. As a result, the Constitution allows the size of the appointive Senate to be increased by 17, or three-fourths of 23.
- Most parties contesting the elections are, as in the past, paper organizations designed to serve as vehicles for prominent individuals' political ambitions, and we anticipate that many politicians will resort to vote-buying. Moreover, many candidates are "ghosts"—candidates hired by the parties to fulfill legal requirements that each party contest half of the 347 seats up for election.

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In response to these less savory aspects of the campaign, the Thai press has criticized the elections as a cynical public relations exercise, rather than a free expression of the public will. The elections are significant, however, in determining the relative strength of the parties and their respective bargaining power in postelection maneuvering. Following the elections, aspirants to the premiership will attempt to nail together a coalition of parties, but the final decision rests with King Bhumipol, who appoints the prime minister and his Cabinet. The president of parliament, who is concurrently the head of the Senate, must countersign the King's order.

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Appendix B

Major Parties

Democrat Party (DP)

Thailand's oldest (founded 1945) and most liberal legal party. . .led by [redacted] Deputy Prime Minister Phichai Rattakun. . .first party to attempt building a nationwide party structure. . .widely predicted to win the most seats in July elections. . .among major parties has the most credible and democratic image. . .has in its ranks Thailand's most capable and principled politicians. . .most cohesive major party despite geographical factionalism. . .some members disturbed by party leaders' close ties to Prem. . .troubled by relatively sparse financial reserves and no strong link with the Palace. [redacted]

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Thai Nation Party (TNP)

Major conservative opposition party since 1983. . .leadership recently assumed by party cofounder and former Foreign Minister Chatchai Chunhawan. [redacted] has signaled willingness to support Prem to gain place in ruling coalition. . .based in central and northeast areas strong ties to business community. . .must reestablish traditionally close relationship with the military and overcome intra-party factionalism. . . [redacted]

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Social Action Party (SAP)

Largest member of the recently dissolved ruling coalition. . .led by Foreign Minister Siddhi. . .leadership supports Prem. . .moderate platform stressing agrarian reform. . .formerly strong in northeast, north, and central regions. . .strong links with banking community. . .weakened by recent defections caused by Siddhi's [redacted] dissolution of parliament. [redacted]

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United Democratic Party (UDP)

Recently formed by SAP co-founder and former Deputy Prime Minister Boontheng Thongsawat. . .unsavory reputation for vote-buying. . .closely associated with Gen Arthit. . .strong local support bases and no discernable ideology. [redacted]

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